**THE SELLER**

|  |  |
| --- | --- |
| Company Name |  |
| Address |  |
| Telephone |  |
| Mobile |  |
| E-mail: |  |
| Represented by |  |
| Position | PRESIDENT / CEO |

**“Here in after referred to as “Seller”**

**THE BUYER**

|  |  |
| --- | --- |
| Company Name |  |
| Address |  |
| Telephone |  |
| Mobile |  |
| E-mail: |  |
| Represented by |  |
| Position | CEO |

**“Here in after referred to as “Buyer”**

This Sale and Purchase Agreement (Hereinafter referred to as “SPA”) will be governed by the following terms and conditions:

1. **Commodity**: Iron Ore (Fe)
2. **Origin:** Philippines
3. **Chemical Composition:** (on dry basis, percentage by weight):

* FE 62% below 60%rejected
* SIO2 2.5% Max
* AL203 2% Max
* P 0.05% Max
* S 0.05% Max
* Moisture 8% Max (note: Free moisture loss at 105˚C)

1. **Particle/Granule Size:**

* Size: **A.**1mm-8mm 90% up

**B.**10mm-25mm

* The size will depend on buyer’s option (**A** or **B**) in the purchase order.

1. **Duration:** 1 shipment for trial order and subsequent will be 1 year
2. **Quantity:**
   1. The trial quantity for the Contract will be one shipment,50,000 Metric Tons (+/- 5%). LC will be separately issued for each shipment
   2. Subsequent Contract

After Trial Shipment of 50,000MT (+/- 5%), 2nd Month to 13th Month will be 50,000MT (+/- 5%) per month.LC issue and shipment schedule will followed by the form below

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Month | LC value (USD) | | Shipment quantity (MT) | |
| 2nd |  | USD | 50,000 | MT |
| 3rd |  | USD | 50,000 | MT |
| 4th |  | USD | 50,000 | MT |
| 5th |  | USD | 50,000 | MT |
| 6th |  | USD | 50,000 | MT |
| 7th |  | USD | 50,000 | MT |
| 8th |  | USD | 50,000 | MT |
| 9th |  | USD | 50,000 | MT |
| 10th |  | USD | 50,000 | MT |
| 11th |  | USD | 50,000 | MT |
| 12th |  | USD | 50,000 | MT |
| 13th | $0.00 | USD | 50,000 | MT |
| This LC and shipment schedule will always keep seller has one shipment amount (50000MT) LC in advance. 1st L/C shall be opened within 1 week after SPA | | | | |

1. **Price:** 
   1. The CIF China price: **US$per MT**

Price is 12% (USD 100~300) Discount, 7% (USD 70~99.99) discount from Platts Index

* 1. The parties agree to conduct a Price review every 6 months.
  2. Price adjustment based on final Inspection:
     1. For each Full 1% of Fe composition below 62%, the price shall be deducted by $3.50 USD per dry metric ton;
     2. For each Full 1% of the Fe above 62%, the price shall be increased by $3.50USD per dry metric ton.
     3. If SIO2 content is more than 2.5%, price shall be deducted at the rate of 0.2USD per dry metric ton for each 0.1%.
     4. If AL203 content is more than 2%, price shall be deducted at the rate of 0.2USD per dry metric ton for each 0.1%
     5. If P content is more than 0.05%, price shall be deducted at the rate of 0.5USD per dry metric ton for each 0.01%
     6. If S content is more than 0.05%, price shall be deducted at the rate of 0.5USD per dry metric ton for each 0.01%

1. **Delivery Terms:**
   1. Packing: Loose in Bulk shipment in A BULK Vessel
   2. Loading port: Port of Mati, Davao Oriental, Philippines

(<http://www.worldportsource.com/ports/PHL_Port_of_Mati_1994.php>)

* 1. Destination port: XXXXX Port, China
  2. Transshipment: Not Allowed
  3. Partial shipment: Not Allowed

1. **Time of Delivery:**
   1. The 1st delivery shall be loaded and shipped out within 45~**60 calendar days after receipt of LC.**
   2. Subsequent monthly shipments will follow approximately every 30 days after the first shipment.
2. **Shipping Terms:** 
   1. CIF XXXX Port, China at Buyer’s option.
   2. The vessel chartered by the seller shall not be over 20 years old. OAP above 20 Years to be on Seller’s account. If vessel over 20 years, then seller should obtain buyers prior approval and have right to reject. In the event of any discrepancy between the terms and conditions of the charter party and the terms and conditions of this contract, the terms and conditions of this contract shall prevail.
   3. Within 48 hours after the departure of the carrying vessel from the loading port, the seller's ship owner or agent shall notify the buyer's agent by telex, cable, fax, etc.
   4. Buyer to discharge the vessel at Discharge rate 8000 WMT, per Weather Working Day of 24 consecutive hours Saturday & Sunday holidays included.
   5. Lay time to commence after 24 Hours at the time of the vessel arrive at discharging port and tendering of NOR. However, if the discharging starts before that, lay time to start from the time of whichever sooner commencement of discharge. Lay time should cease when discharge is completed. The demurrage is subject to the charter party.
   6. Any cost, delay and time lost including but not limited to delay in vessel’s berthing or stoppage of discharging due to the vessel crew's infection or potential infection with COVID-19 virus, or switched crew members having been on board less than 14 days when vessel arrives at the disport, whether the crew members are tested infected or not, shall be on Seller’s account, even if vessel is already on demurrage”.
3. **Inspection and Analysis:**
   1. Seller shall complete CCIC Inspection at the loading port and costs shall be borne by the Seller.
   2. Buyer shall complete CIQ Inspection at the unloading port and costs shall be borne by the Buyer.
   3. Seller has the right to send a responsible person to oversee the CIQ inspection. Buyer also has the right to send a responsible person to oversee the CCIC inspection at loading port and endorse the certification. Any discrepancy will be negotiated or arbitrated.

However, should the difference between Buyer’s and Seller’s results be not more than 0.3% per DMT, no adjustment shall be required, the final official commercial invoice will be issued as per the results of CIQ certificates.

1. **Payment Terms:**
   1. Payment Term:
      1. Non-Transferable & Indivisible Documentary Letter of Credit MT700 (Hereinafter referred to as “DLC MT700”),

Note: Seller shall load first shipment and send a copy of B/L within 40 calendar days after receipt of DLC MT700. If not, DLC MT700 will be cancelled.

* 1. Payment:
     1. 95% provisional payment for goods will be drawn against shipping documents.
     2. 5% final payment will be drawn within 7 banking days after Issuance of CIQ Report at destination port from the issued DLC.
  2. CIQ Report issued at the destination port shall be deemed as final and binding basis for the price calculation

1. **Procedures:**
   1. Upon mutual agreement, Seller and Buyer sign and seal this SPA electronically and lodge with respective banks. Electronic version shall be deemed fully legal.
   2. Seller sends relevant trade documents pertaining to permits, ownership etc. to Buyer by email. Also, Buyer may send representative to review the mine.
   3. Upon satisfactory review of Seller’s documents, the mine and processing facility by Buyer, the Buyer’s bank issues non-operative DLC MT700 to the Seller’s Bank.
   4. Within 3 banking days after receipt of DLC MT700, the Seller's bank issues 2% PB which will activate the issued DLC MT700 automatically.
2. **Documents for the payment:**
   1. For 95% provisional payment
      1. Signed Provisional invoice for 95% cargo value in 1 original and 2 copies indicating cargo value, name of vessel, SPA number, L/C No.
      2. 3/3 full set of original clean on board ocean bills of lading made out to order, blank endorsed, marked “Freight payable as per charter party”, notifying “To Order”
      3. Certificate of Quality in 2 copies issued by SGS / CHINA CERTIFICATION & INSPECTION GROUP, PHILIPPINES INC. (CCIC), Copy of Original certificate or original certificate is acceptable.
      4. Certificate of Weight in 2 copies issued by SGS / CHINA CERTIFICATION & INSPECTION GROUP, PHILIPPINES INC. (CCIC), Copy of Original certificate or original certificate is acceptable.
      5. FORM E (in 1 original and 1 copy)
   2. **For 5% final payment**
      1. Signed final commercial invoice for balance value in 3 originals.
      2. Photo/fax copy of Inspection Certificate of Weight/Quantity issued by CIQ at discharge port.
      3. Photo/fax copy of Inspection Certificate of Quality issued by CIQ at discharge port.
      4. In case certificate of Weight/Quantity and/or Quality issued by CIQ is not provided to the seller by fax/e-mail within 60 days from the date of completion of discharging, then the seller has the right to negotiate the final invoice based on load port weight and quality results which shall be final & binding for all purpose. In such a case a declaration issued by the seller of non-receipt of CIQ inspection certificate should accompany documents.
      5. In the event that the final payment results in an amount due by Seller to Buyer, then Seller shall pay Buyer such over payment via wire transfer within 7 (seven) consecutive days from the issuing date of Buyer’s debit note.
3. **Insurance:**
   1. Seller shall arrange insurance to cover the commodity risk of loss during ocean transit.
4. **Amendments:**
   1. No modification or amendment of this SPA will be effective unless it is written and signed by both parties hereto.
5. **Confidentiality:**
   1. Both parties shall keep all the details of this SPA confidential. No information in this SPA shall be disclosed without the written consent of the other except in legal situations. The part in breach of this clause elsewhere shall pay related damages.
6. **Language:**
   1. All documents and communications between parties shall be in English. Either party may translate the SPA into any other language as necessary. If there would be any misunderstanding the SPA in English will have precedence over all other translations.
7. **Assignment:**
   1. This SPA and any rights or obligations here under shall not be assigned or transferred by either party without the prior written consent of the other part. Any such purported assignment without such consent shall be considered null and void.
8. **Cooperation Between the Parties:**
   1. Both parties will promptly inform the other of any issue that arises out of performance of this SPA.
9. **Force Majeure**
   1. If at any time during the existence of this SPA either party is unable to perform whole or in part any obligation under this SPA, because of war, hostility, military operation of any character, civil commotion's, sabotage, quarantine restriction, acts of Government, fire, floods, explosions, epidemics, strikes, labor trouble, embargoes, then the date of fulfillment of any obligation shall be postponed during the time when such circumstances are operative.
   2. If operation of such circumstances exceeds one months, either party will have the right to refuse further performance of the SPA in which case neither party shall have the right to claim eventual damages. The party which is unable to fulfill its obligations under the present SPA must within 15 days of occurrence of any of the causes mentioned in this clause shall inform the other party of the existence of the circumstances preventing the performance of the SPA. Certificate issued by a Chamber of Commerce or any other competent authority connected with the cause in the country of the Seller or the buyer shall be sufficient proof of the existence of the above circumstances and their duration. Non-availability of material will not be an excuse to the Sellers for not performing their obligations under this SPA.
10. **Resolution of Disputes:**
    1. Unless otherwise agreed in writing, all disputes arising in connection with the present SPA shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said Rules.
    2. An arbitration clause does not prevent any party from requesting interim or conservatory measures from the courts.
    3. The parties agree that should any dispute arises, the Arbitration will be done in Singapore International Arbitration Center.

Name Singapore International Arbitration Center

<https://www.siac.org.sg>

1. **Entire Contract:**
   1. This SPA covers the entire contract of the parties in respect to subject matter hereof. No statement or contract, oral or written, made prior to or at the signing hereof, shall vary or modify the written terms hereof, and neither party shall claim any amendment, modification or release from any provisions hereof unless such contract is written and signed by the other party and specifically states that it is an amendment to this SPA.
2. **Validity:**
   1. This agreement shall have a validity of fifteen months unless mutually terminated by the parties or the total quantity reaching 750,000 Dry Metric Ton.
   2. This SPA consists of total 28 Articles, and is considered valid from the Date of Signing by Buyer and Seller through completion of execution of its Terms and Conditions.
   3. Any changes of the Terms and Conditions of this SPA must be in written form and added as an Addendum upon agreed, signed and dated by both parties. This shall be considered as an integral part of this original SPA.
   4. This SPA shall be considered legally and binding upon signatures on fax or emailed copies.
3. **Banking Information:**
   1. Seller's Bank Information

|  |  |
| --- | --- |
| **Bank Name** | **INDUSTRIAL AND COMMERCIAL BANK OF CHINA** |
| Bank Address: | 24F, THE CURVE, 32ND STREET CORNER 3RD AVE., BGC, TAGUIG CITY, METRO MANILA, PHILIPPINES |
| ACCOUNT NAME: |  |
| ACCOUNT NUMBER | 6036000100000003651 |
| SWIFT: | ICBKPHMM |
| Bank Officer | YANMING SUN  (GENERAL MANAGER) |
| Tel: | (+63 2) 82803300 |
| Official banking email | [marketing@ph.icbc.com](mailto:marketing@ph.icbc.com) |

* 1. Buyer’s Bank Information

|  |  |
| --- | --- |
| **Bank Name** |  |
| Bank Address: |  |
| ACCOUNT NAME: |  |
| SWIFT CODE (BIC): |  |
| ACCOUNT NUMBER |  |
| Bank Officer |  |
| Tel No |  |
| Official banking email |  |

1. **Sellers’s Certificate of Registration and Representative’s Passport copy**
   1. Seller’s Certificate of Registration
   2. Seller Representative’s Passport Copy
2. **Buyers’s Certificate of Registration and Representative’s Passport copy**
   1. Buyer’s Certificate of Registration
   2. Buyer Representative’s Passport Copy
3. **Attachments**

**Annex 1:** CCIC Test Report

**Annex 2:** Verbiage of SWIFT MT700

**Annex 3:** Verbiage of Performance Bond

This agreement contains 30 articles and three annexes.

IN WITNESS WHEREOF, the parties hereto have caused this SPA to be executed by their duly authorized representatives as of the date first above written.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Seller** |  | **Buyer** |
| Corporate Seal & Signature: |  |  |  |  |
| By |  |  |  |  |
| Title |  | PRESIDENT / CEO |  |  |
| Company Name: |  |  |  |  |
| Date |  | June 21, 2021 |  |  |

**Annex 1**

(CCIC Test Report)

**Annex 2**

**Verbiage of SWIFT MT-700**

-------------------------- Message Header --------------------------

Sender: (SWIFT CODE)

BANK NAME:

BANK ADDRESS:

SWIFT CODE:

ACCOUNT NAME:

ACCOUNT NUMBER:

BANK OFFICER NAME:

BANK OFFICER EMAIL:

Receiver:

RECEIVING BANK DETAILS:

BANK NAME:

BANK ADDRESS:

ACCOUNT NAME:

ACCOUNT NUMBER:

SWIFT CODE:

BANK TELEPHONE:

ACCOUNT OFFICER:

BANK EMAIL ADDRESS:

FOR TRANSACTION CODE:

-------------------------- Message Text ----------------------------

40A/ FORM OF DOCUMENTARY CREDIT

NON-TRANSFERABLE, INDIVISIBLE

20/ DOCUMENTARY CREDIT NUMBER

XXXXXXXXXXXXX

31C/ DATE OF ISSUE

YYMMDD

31D/ DATE & PLACE OF EXPIRY

YYMMDD

50/ APPLICANT

NAME:

ADDRESS:

59/ BENEFICIARY

NAME:

ADDRESS:

32B/ CURRENCY CODE AMOUNT

CURRENCY: USD (US DOLLARS)

AMOUNT: $XXXXXXXXXXXXX.00 (US DOLLARS )

39A/ PERCENTAGE CRDT AMT TOLERANCE

5/5

41D/ AVAILABLE WITH:

BY -NAME & ADDRESS ANY BANK BY NEGOTIATION

42C/DRAFTS AT

AT SIGHT FOR 50 PERCENT OF INVOICE VALUE

42D/DRAWEE

ISSUING BANK

43P/ PARTIAL SHIPMENTS

NOT ALLOWED

43T/ TRANSSHIPMENT

NOT ALLOWED

44E/PORT OF LOADING

Port of Mati, Davao Oriental, Philippines

44F/PORT OF DISCHARGE

Rizhao Port,, China

44C/ LATEST DATE OF SHIPMENT

YYMMDD

45A/ DESCRIPTION OF GOODS

COMMODITY: Iron Ore

QUANTITY: 50,000 Dry Metric Ton

UNIT PRICE: US$135

PRICE TERM: CIF, Rizhao Port, CHINA (INCOTERMS 2000)

46A/ DOCUMENTS REQUIRED

+ Bill of lading, marked “Freight Prepaid” and issued to the Buyer, 1 original and 2 copies

+ Certification of quality analysis issued by CCIC, 1 original and 2 copies

+ Certificate of quantity issued by CCIC, 1 original and 2 copies

+ Certificate of Origin issued by relevant authority of country of origin, 1 original and 2 copies

+ Commercial Invoice, 3 originals and 2 copies

+ Certificate of change of ownership, 1 original and 2 copies

47A/ ADDITIONAL CONDITIONS

+ ALL DOCUMENTS TO BE MADE IN ENGLISH.

+ THIRD PARTY DOCUMENTS ACCEPTABLE

48/ PERIOD FOR PRESENTATION

49/ CONFIRMATION INSTRUCTIONS

WITHOUT

78/ INSTRUCT TO PAY/ACCPT/NEGOT BNK

+ PAYMENT BY 95 PCT OF EACH INVOICE PAYABLE AGAINST PRESENTATION OF SHIPPING DOCUMENTS COMPLYING WITH L/C TERMS & CONDITIONS & A COPY OF NOTICE OF READINESS ISSUED BY SHIPMASTER OR SHIPPING AGENT

+ A DISCREPANCY FEE OF USD50 WILL BE DEDUCTED FROM THE PROCEEDS FOR EACH SET OF DISCREPANT DOCUMENTS.

+ STALE BILLS OF LADING ARE NOT ACCEPTABLE

+ ANY DOCUMENTS ISSUED PRIOR TO THE LC ISSUANCE DATE ARE ACCEPTABLE

+ UNLESS OTHERWISE STATED, THIS CREDIT IS SUBJECT TO THE UCP/DC 1993, I.C.C PUBLICATION NO.500

**Annex 3**

**Verbiage of Performance Bond**